



Rabin Said to Criticize Pressure Tactics of U.S. Jewish Lobby

By David Hoffman

WASHINGTON Post Service JERUSALEM Prime Minister Yitzhak Rabin has bluntly criticized activities of the American-Jewish Public Affairs Committee, the powerful pro-Israel lobby, saying it needlessly inflamed U.S.-Israeli relations, according to well-placed sources.

Mr. Rabin's remarks were considered highly unusual, given the traditional influence that the organization has wielded in Congress over the years on behalf of Israel. But officials close to Mr. Rabin said he believed that Jewish organizations should not play a central role in the diplomacy between the United States and Israel.

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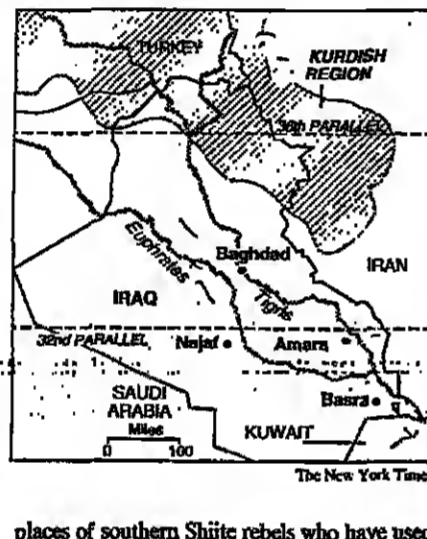
1970s, and this remains the model for how he intends to operate, the officials said. Mr. Rabin also believes that such contacts should be with the executive branch, regardless of who is in the White House, and that Congress should play a supporting role but not be used as a lever against the administration, Israeli officials said.



Members of the U.S. Army's 1st Cavalry Division, carrying water against the desert heat, at a base in Kuwait on Monday for exercises with the Kuwaiti Army.

SHITES: Bush Seeks Allies' Support in Blocking Air Attacks on Rebels IRAQ:

(Continued from page 1) briefed reporters while flying with Mr. Bush to Indianapolis, where the president gave a speech. [Later, Mr. Bush said in an interview on CNN that stopping Iraqi planes from bombing would be a way of protecting people in the area. "If there is some edict that could keep him from flying," Mr. Bush said, speaking of the Iraqi leader, "clearly that would deny him one way of harassing his own people."



wait-Iraqi frontier that was demarcated at the time of the cease-fire. Officials familiar with the planning and consultations predicted that intervention had been deferred by only a matter of days. A senior allied official said that both Saudi Arabia and Kuwait were prepared to cooperate with such a venture and no longer feared that intervention in southern Iraq among the Shites would lead to a splintering of Iraq that could threaten their interests.

IRAQ: Data on Missiles

(Continued from page 1) tion on missiles, the 22-member team in Iraq did not visit any Iraqi government ministries because it had no need to do so this time, a UN spokesman said. Iraq announced Aug. 6 that it would not allow UN inspectors to enter ministries.

The military plan has the potential of deepening U.S. involvement in Iraq and turning loose dissident guerrilla forces that sought to overthrow the government of President Saddam Hussein after his army was routed in Kuwait. A senior administration official said that "there is now a greater consensus" among the five allies to take action in southern Iraq, a step that the administration has been loath to take since the end of the war.

places of southern Shiite rebels who have used vast tracts of wetlands as guerrilla hideouts. A senior official said the immediate goal for intervention in southern Iraq would be to "stabilize" the situation regarding human treatment, making it more difficult for Mr. Saddam to act against his own citizens.

■ Britain Studies Options William E. Schmidt of The New York Times reported from London: Arguing that Mr. Saddam had embarked on a campaign "to systematically wipe out" civilian opposition in southern Iraq, the British government said Monday that it was considering what kinds of measures, including force, might be taken to protect Shiite groups in the region from further Iraqi military attacks.

The leader of the UN team, Nikita Smidovich, said in Baghdad that Monday's inspection had been without incident and that the team's mission was complete. He refused to identify the site the inspectors had visited or to characterize the mission's findings.

Cold War's Loose Ends in South Dakota

By Peter T. Kilborn New York Times Service WALL, S.D. — Ranchers in western South Dakota may be more relieved than most people by the end of the Cold War. They were right in the cross hairs of it. With 150 Minuteman II missiles ready to bolt from silos that the air force had bored 90 feet (30 meters) into their pastures, they were sitting ducks for a preemptive Soviet

Gen. S. Williams, a leader of the protest, said, "For my comfort zone, it's best to take the missile out and put a ceiling on it." Orville Bennett, another rancher, added: "Put grain in them." The ranchers agreed to poll others with silos on their land about forming an organization to try to persuade the government to reconsider the plan.

Advertisement for Austria Center Vienna, featuring the text 'Estate agents tail Harry Lime in a dream called Wien' and 'Vienna is a dream destination. And there's a modern convention center that makes meeting managers' dreams come true.'

Advertisement for Michel Swiss, featuring the text 'PERFUMES-COSMETICS FASHION GIFTS Top export discounts!' and 'open all day Monday to Saturday'.

Death Penalties Asked In Tunisian Plot Trial TUNIS — A military prosecutor on Monday demanded the death penalty for nine alleged Muslim fundamentalists being tried, five of them in absentia, on charges of plotting to overthrow the Tunisian government. The nine included Habib Lassoued, the head of a clandestine group called "Commandos of Sacrifice," and several lieutenants.

Iran-Contra Revelations Are Making CIA Squirm WASHINGTON — As the Iran-contra trial of Clair E. George unfolds in federal court in Washington, the CIA finds itself on the kind of display it abhors. The Central Intelligence Agency is a citadel to secrecy, its officers steeped in codes of silence and loyalty. But the trial of Mr. George, the most senior agency official to be charged in the Iran-contra affair, has featured long discussions of agency procedures, the exposure of CIA cables and briefing books, and often-bitter accounts of how its senior people behaved in a crisis.

WORLD BRIEFS

ETA Suspected in 2 Spanish Killings OYARZUN, Spain (AP) — A gunman shot and killed two civil guards Monday in what officials believe could signal a renewal of attacks by the Basque separatist group ETA after a two-month hiatus. News reports said the gunman shot the two guards, who were dressed in civilian clothes, as they entered a supermarket parking lot. If ETA's responsibility is confirmed, the killing would be the first since April 23, when the group claimed responsibility for killing a policeman.

India and Pakistan Talk on Kashmir NEW DELHI (AP) — India and Pakistan had their first official talks Monday in 20 years on their dispute over Kashmir, but remained far apart on how the conflict should be settled. The discussion represented a shift by Pakistan, which previously wanted the 45-year-old quarrel resolved by the United Nations. India has long favored the bilateral approach to settling the Kashmir issue, over which the two countries have gone to war twice and where border skirmishes still are routine. Pakistan restated its position that ownership of the northern territory in the Himalayan foothills should be decided by a plebiscite of its residents, according to a 1947 UN resolution.

Hong Kong to Close a Refugee Camp HONG KONG (Reuters) — Hong Kong plans to close a camp where 24 Vietnamese refugees burned to death during a riot in February, the government said Monday. About 2,000 Vietnamese at the St. Paul's camp will be moved and the camp will be closed toward the end of the year, according to the acting refugee coordinator, Eddy Chan. The deaths of 24 adults and children during a battle between regional gangs was the worst disaster to hit Hong Kong's refugee camps since the first of nearly 60,000 Vietnamese began flooding the colony in 1975. A first of nearly 60,000 Vietnamese began flooding the colony in 1975. A judicial inquiry found that police failed to intervene in the brawl for more than an hour.

Ethiopian Jews Demonstrate in Israel JERUSALEM (AP) — About 600 Ethiopian Jews, including women with babies on their backs, marched 30 kilometers Monday from the Mediterranean coast toward Jerusalem to push for permanent housing. They ended their protest when Immigrant Absorption Minister Yar Tsaban promised to send a ministry team to check into their problems. The immigrants are among 14,000 Ethiopian Jews who were airlifted to Israel in the May 1991 "Operation Solomon." Since then, the newcomers and about 4,000 later arrivals have been living in trailer parks and crowded hotel rooms.

Brazilian Leader Dismisses Protest RIO DE JANEIRO (Reuters) — Government officials were scrambling Monday to contain the damage after President Fernando Collor de Mello's call for a show of support backfired, provoking huge protests against official corruption. Tens of thousands packed the streets of Brazil's cities on Sunday, as the president had asked. But instead of wearing the green and yellow colors of the Brazilian flag in his support, almost everyone donned black, as opposition parties requested, to protest the state of the nation. A presidential spokesman dismissed Sunday's protesters as a "tiny but very small minority" and insisted that the vast majority had backed the president.

Ex-Mayor of Berlin Quits Socialists BERLIN (Reuters) — Walter Momper, who was mayor of West Berlin when the Berlin Wall was opened in 1989, resigned Monday as chairman of the local Social Democratic Party in a dispute over his joining a real estate company. Mr. Momper said his decision to join the company's board was exploited by party colleagues to attack his policies. "I won't put up with this," he said. "I resign as leader of the Berlin SPD." Party members attacked his decision to join the real estate company as insensitive because of a history of corruption in Berlin involving senators of the Social Democratic Party.

For the Record A bomb destroyed a police car on Monday in Sardinia, where Italy has stationed 5,000 troops since July in a crackdown on organized crime. The explosion was the third attack on security forces on the island in a week. No one was hurt, a police spokesman said. (Reuters) Two French militants of the far-right National Front were slightly injured in a weekend beach brawl while campaigning against the Maastricht treaty on European union in the Mediterranean resort of Valras-Plage, the police said. (Reuters) Kurdish separatists have killed 11 soldiers and a civilian in Turkey in three separate incidents, officials and reports said Monday. (AP)

TRAVEL UPDATE

Taxi drivers in Monrovia, Liberia, upset over gasoline shortages that have made it impossible for them to work, stopped private and official cars on Monday and forced riders to walk. The interim government lacks the foreign exchange to buy fuel. (Reuters) To prevent theft of valuable plants, foreign tourists now must be accompanied by officials when they visit Indonesia's protected forests. Forestry Minister Hasyrul Harahap said. (Reuters) Three major Los Angeles-area beaches remained closed for a third day Monday due to high levels of coliform bacteria, officials said. (AP) Canadian Airlines International, the financially troubled carrier whose future is in doubt, said it would increase its winter schedule of flights to Asia and Europe, starting Oct. 25. (AP)

The Weather

Weather forecast table for Wednesday through Friday, showing temperature ranges (High/Low) and conditions (C/F) for various cities across North America, Europe, Asia, and Africa.





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**New Nuclear Arithmetic**

How many nuclear weapons are enough? The extraordinary arms pact awaiting the approval of the U.S. Senate will reduce the American and Russian nuclear arsenals to the levels of the 1960s. By 2002 or earlier, Russia will have 3,000 warheads and the United States 3,500. That is down from more than 20,000 strategic and tactical warheads each. But later on could there be even deeper cuts?

Just the opposite dynamic may be at work. Explaining why North Korea is abandoning its nuclear ambitions, Kim Il Sung said, "What is the use of producing one or two nuclear weapons while the big countries have several thousand?"

**Support UN Inspection**

The timing was unfortunate. United Nations arms inspectors wanted access to Iraq's Ministry of Military Industrialization to search for weapons of mass destruction. If they were denied access, American officials said the United States would bomb Iraq. It was nuclear war or nothing.

is left of Iraq's weapons of mass destruction. The United Nations had already searched the Ministry of Military Industrialization and come away empty-handed. No firm intelligence seems available suddenly to pinpoint it as a likely site for a new find.

**Bush's Record Is Clear**

As the Republican National Convention gets under way there is a peculiar effort being made to separate George Bush from the more controversial and potentially costly part of his handiwork of the past four years. We are not thinking so much of the I-was-a-helpless-victim-of-Congress line of argument as of the attempt to suggest that personally, somehow, the president either did not know what was going on or does not himself feel too comfortable with it or is married to a fine woman who does not like some of it herself one little bit.

to prove his commitment to the right or because he in fact is sincere, he has behaved like a zealot on the issue. He allowed his administration to give practically nothing to relieve the harsh effects of the Rust decision, which inhibited the freedom of medical personnel to discuss abortion with patients. He went out of his way — far out of his way — to prevent the District of Columbia from using locally raised taxes to pay for abortions of any kind or for any reason for indigent women. On this issue, at least, his position and his will to enforce it have been clear.

**Other Comment**

**Rekindling the Inspiration**

The best hope for the GOP is to make Houston a repeat of their 1988 meeting in New Orleans, which culminated in what remains the best speech of the president's career. George Bush's address had many well remembered phrases, including "A thousand points of light" and "Read my lips, no new taxes."

Several of them formed themselves into a quasi-political party, the Cooperative Resources Center, aimed at countering the Democrats in the legislature. The Democrats made almost a sweep of elections last year but remain a minority in a council dominated by appointed members and representa-

**Undoing Saddam Will Take More Than Military Stunts**

By William Safire

**H**ouston — George Bush always told us he would come out fighting at the Republican convention, but he never said against whom. It turned out his confrontation might be with his old poll-booster, Saddam Hussein.

**This week in Houston, the president has a chance to demonstrate how a re-elected Bush would seize opportunities to advance democracy.**

world cannot again fail to achieve the goal of removing Saddam and ending the Ba'athist threat to the region. Proof of seriousness requires a comprehensive plan to implant democracy in the area.



Does Mr. Bush offer that change? So far, the signal he sends is no. By neglecting to appoint a new secretary of state to fill the post vacated by Mr. Baker (America's first taxpayer-paid campaign manager), Mr. Bush is saying that the State Department seat will be kept warm awaiting the Baker return. That suggests a continuance of a foreign policy that reverses the status quo and misses the march of history by failing to intervene anywhere on behalf of human rights.

strate how a re-elected Bush would seize opportunities to advance democracy. Right-wingers like me — domestic libertarians, global interventionists, neocons, lifelong freedom-mongers in the habit of loyally pulling down the lever under the Republican eagle — need strong reasons to stick with the national ticket this year.

**Unprincipled Bottom Line: George Bush as the Vicar of Bray**

By Anthony Lewis

**H**ouston — Would George Bush really provoke a confrontation with Iraq so that American bombs fell on Baghdad in the week of the Republican convention? The story, reported by Patrick E. Tyler in The New York Times, suggested a use of presidential power so cynical that it made one gasp. But Mr. Bush, the man who said he would "do what I have to do to be re-elected," and he is the man who in a lifetime of politics has traded every value he may ever have had for the sake of office.

qualified. No one even thought of believing that absurdity. Conservatives were told that Judge Thomas would be a sure vote against abortion, as he has proved to be.

So he seeks ever more pathetically to prove that he is one of them. Perhaps, somewhere deep inside, there still is a real George Bush with humane values. We are invited to believe so when his wife opposes the Republican platform's call for a total, constitutional ban on abortion. But by all signs a lifetime of political cynicism has made him like the subject of that satirical English verse: "The Vicar of Bray," a minister who adjusts his faith to political demands.

The verse is said to be based on a real vicar of the village of Bray, Symon Symonds, who served under Henry VIII, Edward VI, Bloody Mary and Elizabeth. He was twice a Catholic, twice a Protestant. Asked with his switches, he said: "If I changed my religion, I am sure I kept true to my principle, which is to live and die the Vicar of Bray."

**Hungary: Post-Liberation Gloom in Lieu of Profit Sharing**

By Eniko Bollobas

**W**ASHINGTON — Each post-Communist society has its own equivalent of the black Irish mood — a post-liberation, morning-after funk. In Hungary, melancholy matches a desire to be convinced there is no reason for melancholy. Foreign visitors are baffled by what they often see as Hungarian pessimism.

By Eniko Bollobas  
The writer is chargé d'affaires at the Hungarian Embassy in Washington.

spite of the front. Is one the pessimist, the other the optimist? I would rather say that the first refuses to recognize facts or make assessments along lines of predictability; the other knows what to expect and is therefore happy with what exceeds expectation.

are in fact winners in the emerging society. Most of the hardships of the transition could have been predicted, but there was no precedent for this experiment. The old system did everything to control how much the disenfranchised masses understood of the society they lived in. Only a select few were in the know about how political decisions were reached, how much in state subsidies certain industries received, how much the national debt added up to, how many people escaped from the country through the years.

**Hong Kong: Patten Is Listening to the Train's Passengers**

By Philip Bowring

**H**ONG KONG — China was many miles as it newly mastered Olympic Games, but in Hong Kong it is suddenly finding that it has a competitor in the one game at which it has long been preeminent: politics.

By Philip Bowring  
Council is unlikely to be announced until October, when Mr. Patten will make a policy speech at the opening of the next session of the Legislative Council. It could be the most important decision he makes as governor.

to 1997 with the minimum trouble for Britain. This policy often seemed to be pursued regardless of what sacrifices of Hong Kong's supposed current and future autonomy, promised in the 1984 Chinese-British Joint Declaration, were made en route.

tribution to post-1997 Hong Kong. It is no easy task, but as a politician he should be better able to harness local sentiment. Despite the appeals to nationalist feelings, there is strong underlying distrust in Hong Kong of Chinese motives and of the consequences for both social freedoms and real incomes of reintegration with the mainland.

**1892: No German Ships**

**B**ERLIN — The Liberal papers continue to attack the Government for not sending a vessel to represent Germany at the Columbus celebrations. The journals strongly censure Count von Capivi for his statement that the German navy was unable to spare a ship for the occasion, and declare that such admissions are calculated to lower the prestige of the German fleet in the eyes of foreign nations.

**1917: Mission to Rome**

**A**MSTERDAM — The Daily Express correspondent reports the Pope's peace proposals are the direct outcome of intrigues by Berlin and Vienna. Three weeks ago Mgr. Szepczycki, the Archbishop of Lemberg, was received in private audience by the Austrian Emperor. The next day he had an interview with the Kaiser. A special passport was then given to him, with an order to proceed to Rome on an innocuous mis-

**1942: A Second Front?**

**M**OSCOW — [From our New York edition:] Prime Minister Churchill has made a flying visit to Moscow for discussion with Premier Josef V. Stalin. It was revealed today [Aug. 17] that the statement decided is secret but it is reasonable to assume that the problems of a second battle front on this continent, which everyone in Russia hopes will start soon, were discussed. The official announcement said: "A number of decisions were reached covering the way against Hitlerite Germany and her associates in Europe. In this just way of liberation both governments are determined to carry on until destruction of Hitlerism has been achieved."

**1942: A Second Front?**

mission connected with the prospects of the Roman Catholic Church in the Ukraine. In reality he was charged to induce the Pope to launch a peace movement on German and Austrian terms. Mgr. Szepczycki is still in Rome as the guest of the Vatican.

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OPINION

Republican Meandering Is Nothing New

By George F. Will

HOUSTON — A committee has been called a cul-de-sac into which ideas are lured to be quietly strangled. Not so the Republican platform committee. Its mainwork shows clearly the conflicting ideas in the party's divided mind, and the nation's past.

The secret of being a bore is to tell everything, and the platform is, in vast stretches, choriform in print. It covers (among many other subjects) the Hobbs Act, mortgage revenue bonds, Cyprus and the United Nations trusteeship in Palau. But beneath the tangled

ject the impulses pulling their party toward opposite aspirations. Abortion is only the most obvious example of the party's libertarian and moralizing impulses in conflict. The platform demands strong government action to outlaw this practice that American women have resorted to approximately 6 million times in the past four years.

The platform laments the nation's litigation explosion, but it also says: "We endorse Republican legislation allowing victims of pornography to seek damages from those who make or sell it, especially since the Commission on Pornography, in 1986, found a direct link between pornography and violent crime committed against women and children." That idea of victimization, derived from that "direct link," should generate some interesting litigation.

The Republican platform rides off in several directions because the party, like the republic, got to the present from several directions. In fact, the Republican Party was the great "nationalizing" force and the architect of modern energetic government. America's founders learned (from John Locke, among others) that government exists for the purpose of protecting liberty, understood primarily as freedom from government. But the Republican Party's commitment to minimize government could not survive the first Republican presidency.

Before the Civil War, the federal government had been barely visible to most Americans. By the end of the war the federal civilian bureaucracy, 53,000 strong, was the country's largest employer — and the Republican Party was going to use it, vigorously.

The war inaugurated a Republican era. Reconstruction in the South, and government-driven economic development in the North and West, reflected a re-definition of American freedom as something served by government power. As Eric Foner writes in his history of Reconstruction, the Emancipation Proclamation clothed federal power with moral purpose, and a new class put that power to the service of what that class considered moral: its interest in economic growth.

The war stimulated industry, from railroads to meat packing to clothing. (Not just military boots and uniforms; a firm in Philadelphia advertised the superiority of its mourning wear.) The Republican Party became the instrument of a commercial class demanding activist government to keep the growth going.

remunerative knowledge, land grants and bond issues for railroads and other "internal improvements," and war against Indians who were slow to recognize the romance of railroading on their lands.

Until well into the 20th century, writes Michael Barone, Republicans were "the national, activist, even busybody party," while Democrats, professing Jeffersonian defense of localisms, respected regional mores, "from segregation in the South to the saloon in the North."

In the 1920s and 1930s some Republicans — Robert La Follette, George Norris, Fiorello La Guardia — were among the strongest congressional advocates of government policies of nationalization and redistribution. It was a Republican administration — Dwight Eisenhower's — that undertook the simultaneous construction of two of the most ambitious modern public works, the St. Lawrence Seaway and the Interstate Highway System.

The Republican platform rides off in several directions because the party, like the republic, got to the present from several directions. In fact, the Republican Party was the great "nationalizing" force and the architect of modern energetic government.

Republicans are for less government, except when they are for more. They are for less taxes, spending and regulations, all three of which have increased a lot during the tenure of the president who will run on this platform. But this platform prudently does not challenge the national consensus that contemporary government's primary function is to provide entitlements that fulfill a still expanding array of economic "rights."

Republicans are hot to have government stop the moral rot that, amazingly, is sending the country to wrack and ruin in spite of many stern Republican presidencies. Let us not make light of Republicans' admirable earnestness about serious issues. But also let us not ne-

Batman, Quayle and the Missing Elite

By Richard Reeves

EAST HAMPTON, New York — I got through the movie "Batman Returns" and left the theater an angry man, thinking — a bit irrationally — about Dan Quayle. America's boyish vice president thinks the country is in trouble because of its dreaded "Cultural Elite." Wrong, Hoosier.

The country is in trouble because it doesn't have a cultural elite. If there were such an elite, it would be someplace around here on these golden sum-

mer shores. Its members would be on the beach or in the woods or pawing the kwis and cndives at "The Barefoot Contessa."

On the weekend, a lot of the men and women who write the songs and books and make the movies the whole world sings, reads and sees were over at the six-screen cinema on Main Street eagerly shelling out seven bucks a head to expose their children to what film critics across the country had assured everyone is high art.

Not "weird," the word the critics I read used as a synonym for "profound" (led by those working for the magazines of Time-Warner, which also produced the movie), but simply sick!

So, what is it in America that made me, along with other usually sensible summering elitist wannabes, walk into the theater with my seven-year-old daughter?

McDonald's. McDonald's made me do it. Now we are getting close to the answer to the question of what passes for cultural elitism in the United States today.

bags in Hollywood were saying this is not for little children. Nor for any aspiring cultural elitists, I might add.

But if daddies should have known what they were doing, the people at McDonald's had to know exactly what they were doing. Sleazebags of a high order, that bunch.

I don't think that the movie affected Fiona as much as it did me or Molly, who, as black blood began spilling from Danny DeVito's mouth, said, "This is gross." (I am not entertaining questions here from anyone but other fathers of small daughters about why I didn't pick up the kids and walk out.)

I worry now about how numbed my own may be from the usual dosage of violent cartoons and surreptitious watching of the 30 channels we get at home. For those who don't know: It is exceedingly difficult to ban television or rock at home because a child cannot relate to her peers without generational and cultural touchstones. There is a fine line between protecting your children and making them elitist freaks.

So, Mr. Vice President, fellow father, I would hope you consider building up, not tearing down, a true cultural elite. Not to reinforce the McDonald's culture you seem to admire or to ban movies or burn books, but to have the credibility to attack the trash merchants and their merchandisers.

As for the biggest merchandiser, McDonald's, I expect that archaeologists will dig up golden arches across the globe one day and conclude they were religious symbols. Perhaps they'll wonder if the priests practiced human sacrifice and if their decadence brought the society down.

LETTERS TO THE EDITOR

Agreed, Change Is Due. Regarding the report "Bush, Sensing an Opening, Stakes Claim to Moral Compass" (Aug. 7):

President George Bush says, "I believe that a central issue of this election year should be: Who do you trust to renew America's moral purpose? Who do you trust to fight for the ideas that will help rebuild our families and restore our moral values?"

Several questions arise: Where has Mr. Bush been as a moral leader or the last four years? What has he done to help rebuild our families and restore our moral values?

WILLIAM MOONEY, Vienna.

Regarding "A Democratic Presidency Might Restart the Country" (Opinion, July 24):

William Pfaff's "best reason to vote for Bill Clinton," that is, to break the "stalemate" between a Democratic Congress and a Republican White House, equally counsels a vote for George Bush and every Republican candidate for Congress. This, too, would break the stalemate. If, as president, Mr. Clinton is able to effect change, it will not be because he is a Democrat but because there will be a consensus on the need for change and for what change is needed.

CRAIG ALLEY, Rome.

"Change" has become the key to this American presidential election, as Ross Perot's supporters so eloquently demonstrated. At the thrust of his program was cutting the deficit. This alone would not solve America's problems.

This election is about articulating a direction that takes the global context into account. Only Governor Bill Clinton has consistently advocated such a plan. He is talking about nothing less than a fundamental reorientation of American civilization. The challenge for the United States is to raise its standard of living by improving its competitiveness in the international market.

If Americans want better lives, U.S. companies must make better, more efficient products. And, as Mr. Clinton points out, this means a strategic alliance among government, industry and labor.

Education and health care are not, as some Republicans claim, wasteful expenditures based on utopian and egalitarian notions, but a practical and fundamental basis for the efficient development of our cumulative potential.

RAVI MARALINGAM, Vestal, New York.

Regarding the report "Bush Disavows Aide's Assertion Clinton Is 'Smiling Hypocrite'" (Aug. 4):

As a "twenty-something" American living in Europe, I daily hear Europeans gleefully proclaim that the evil, money-grabbing, drug-infested, illiterate, economic misfit of a country once known as the United States is dead. In regard to George Bush's opinion that America isn't being ridiculed around the world, I can only give the president one piece of advice: Remember that foreign policy consists not only of your power in the world, but also of the image you convey to the world. And this, one must sadly admit, is certainly deficient.

JENNIFER ANN NORMAN, Hamburg.

The Election Notes Quote/Unquote item of Aug. 4 cited Mr. Bush as saying: "If the governor of Arkansas is elected with a Democratic Congress... within a year the government will run health care in this country, and our health-care system will combine the efficiency of the House post office with the compassion of the KGB." Mr. Bush doesn't seem to realize that for many of us the so-called "health-care system" of the United States, which does not guarantee health care to over 15 percent of the population, has been run like the management of the United Savings and Loan.

RONALD J. DE CAMBIO, Amsterdam.

I am getting tired of the mud the Republicans are slinging at Mr. Clinton — with or without the president's agreement. These gerontosaurs know they have their backs to the wall. The only thing left over is sleaze.

MARIA MEYLAN, Genolier, Switzerland.

I am afraid a number of Americans will vote for George Bush despite their serious reservations and doubts about his past performance and future leadership abilities. Why is it that people seem more inclined to carry on with a known factor while at the same time admitting deep dissatisfaction? This is as good a time as any to take a chance, to take a calculated risk. Bill Clinton brings with him a fresh and thoughtful philosophy. Is it such a gamble to vote for him? I don't think so.

THOMAS G. GALDY, Florence.

The dissatisfaction with the current American leadership, as shown in the popular support for Ross Perot, points to the need for a durable and centrist third party. Such a party should acquire a strategic power based on the ability to swing national elections, like the Free Democratic Party in Germany.

Education, economic growth and environmentalism could be its creed. Then, in the same way that Free Democrats regularly secured the Foreign Ministry, the party could offer its portion of the electorate to one of the front-runners in exchange for positions of influence with which to carry out its agenda.

A third party that operated in this way would neither cause voters to fear wasting their votes on a hopeless cause, nor create a crisis by sending the election into the House of Representatives. By improving voter representation, a third party would revitalize U.S. politics.

ANDREW GUNDLACH, Paris.

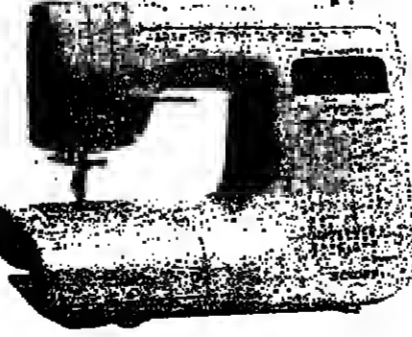
Still the Choice. Regarding "Europe and America: The Rules Have Changed" (Opinion, July 28):

The United States deserves better than Michael Stürmer's stream of criticism of what it should do or be. His suggestions are hollow and shallow, especially in light of America's contribution to stability in Europe over the last 50 years and the end of the Cold War. America is still the moral choice. I wonder if the writer — as an unofficial foreign policy adviser to Chancellor Helmut Kohl — would not better serve the people of Europe by helping to decide what Europe is for rather than continuing to put forth a distorted perception of what the United States is not.

JAMES P. GALLO, Brussels.

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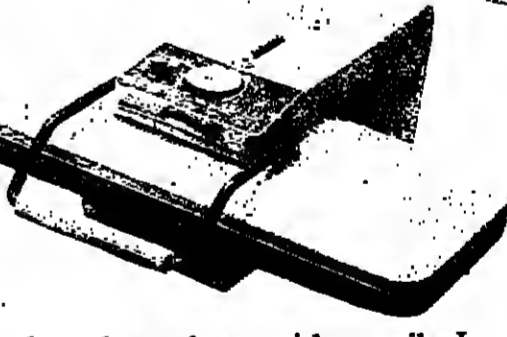


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# Style

## Chic on the Cheap: It's Simply Stylish

### In Design as Well as Entertaining, Penny Pinching Replaces Posh

By Marian McEvoy

**N**EW YORK — Living well might be the best revenge, but living *chic* is a lot more fun. In a time when even zillionaires have dammed-up cash flows, ultra-posh interior design and entertaining are as dated as a limbo contest.

America's style leaders are suddenly discovering aesthetic bliss in a pretty ofbeat, cheeky batch of materials. The truly hip are surprising themselves, their clients and their guests with new ways of cutting back and cutting up. Penny pinching is cool now!

In California, the architect Brian Murphy's houses come with pre-shattered glass stairways, pre-graffiti-ed shower stalls and practical legless dining tables (hung by telephone cords from steel ceiling rods).

The New York architect and designer Patrick Naggar puts abstract casters on screens and makes lamp bases that look — and perform — like beanbags. The decorator Vincente Wolf fashions slipcovers from cheesecloth and mosquito netting.

In the Midwest, a wealthy art collector recently moved into a 12,000-square-foot (1,100-square-meter) house without a trace of marble, molding, chrome or planed wood. (Cement, limestone and steel seemed more appropriate.) Even Manhattan's tomiest interior decorators are toying with cheap, cheeky solutions.

Cheesy Rayner (who whips up Bill Blass's and Oscar de la Renta's multi-residences) rolled up her priceless Oushak carpet and replaced it with a large sisal mat. And the White House decorator Mark Hampton says his ultimate fantasy pad would be "a crumbling stone house full of white-washed furniture, stone floors and threadbare carpets." In fact, one of his all-time favorite chairs is made entirely of corrugated cardboard. So much for gold leafing, high-gloss ebony and satin brocade upholstery. Cheeky chic has arrived. And the price is right.

Just ask any fashionable host or hostess. They'll tell you they'd rather cut down on collagen injections rather than give (or go to) fewer parties. It starts with the invitations. In many cases, there aren't any — just phone calls. Embossed, triple-ply Bristol paper comes at a premium and A.T.&T. is still fairly reasonable. Fashion designer Zoran contends that printed and/or written invitations are simply "totally old-fashioned."

Dinner party food has evolved to the point that any dish with too many "gourmet" accessories (truffles, foie gras, caviar) is greeted with raised eyebrows. Rayner often serves corned

beef and cabbage. The fashion designer Arnold Scaasi regularly dishes up plain roast chicken. The landscape architect Madison Cox thinks lobster bisque is "bourgeois overkill" — his famous homemade soups star more blue-collar ingredients like carrots and yogurt.

No one with any visual panache dolls up their party tables with nests of rare orchids or pricey-looking tropical foliage. Zoran says any floral centerpiece is "superfluous dinosaur!" (He also refuses to hire a band or quartet for his bash — a tape of chirping crickets "does just fine.")

The florist and party-decorator Renny Reynolds might not ban the blossoms but he has come up with an incentive to bypass electricity. At a recent outdoor wedding supper in South-

*The truly hip are surprising themselves and their guests with new ways of cutting back.*

ampton on Long Island, Reynolds erected 25 Italian piazza parasols (ordered from a gardening catalogue) and hung them with several hundred \$1.50 fish bowls containing several hundred 50-cent votive candles. The brightly colored rayon ribbons suspending these makeshift lanterns cost about 5 cents a yard. One hundred large, dripless candles would run about three times as much.

**A** CREW of two waiters and two bartenders can take its toll as well. Perhaps that's why one of the biggest, cheeky chic party trends is getting by with less help. In fact, too many white-jacketed guys interjecting too many platters of hors d'oeuvres into conversation circles is definitely out. Hip hosts and hostesses do things themselves.

Nicole Miller, a frequent hostess and fashion designer, advises making "at least the first and the last course yourself."

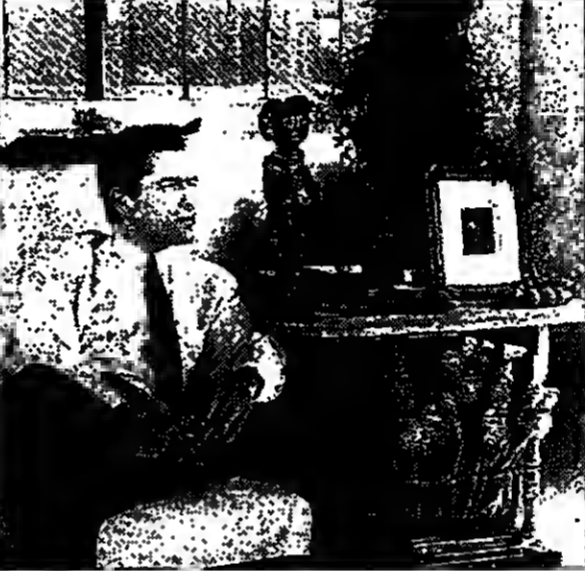
At a recent Miller buffet for 16, two early arrivals were pressed into service squashing lines and chopping peppers. The cook demonstrated, the bartender fixed them high-decibel margaritas and the early birds settled into their chores quite happily.

"Isn't this fun?" asked one of the high-heeled, cleavage-baring helpers of the other. "It's just like Tom Sawyer!"

Marian McEvoy is editor-in-chief of Elle Decor.



Keeping it plain and simple, clockwise from top left: Mark Hampton, White House decorator; Patrick Naggar, architect and designer; Brian Murphy, California architect; Vincente Wolf, decorator; Madison Cox, landscape architect, and Chesy Rayner, decorator.



### STYLE MAKERS



## A Tall Story of Full-Court Elegance

**W**ASHINGTON — Everett Hall's clothes have a rather humbling effect on mere mortals. A pair of trousers, designed for one of his more celebrated clients, measures a full 5 feet (1.5 meters) from waist to cuff, a dimension that conjures up strange images, like dancing with a man whose belt buckle is literally in your face. Such a man could hardly be expected to sit on the sidelines of style, especially if he's Minute Bot of the Philadelphia 76ers.

"I had to stand on a chair to measure him," muses Hall, who has been known to go to considerable lengths to outfit a clientele that includes some incredible hulks: Charles Mann and Art Monk of the Washington Redskins; John Salley of the Detroit Pistons; James Edwards and Ron Harper of the L.A. Clippers; and Patrick Ewing of the New York Knicks. So fanatically fashionable are his clients that many order in bulk, leaving the selection up to Hall.

"That's your job," Charles Barkley told him when he needed 10 suits. Salley once placed his order from the Pistons' bench at the Palace, where the former National Basketball Association champion plays in the Detroit suburb. Fortunately, Hall was sitting nearby, so he could hear Salley call out: "Send me some shirts."

Ordinarily, Hall is holed up in a town house in Silver Spring, Maryland, where he and his brother and business partner, Edwin, run The Designers Inc. Ever since 1986, when an acquaintance introduced them to Rick Mahorn, who was then playing with the Pistons, the brothers Hall have been creatively, if

quietly, amassing a following for their progressive menswear. Clearly, they have benefited from the sartorial grapevine of the NBA, where word of new fashion travels faster than a slam dunk.

Their clothes are noteworthy for a harmonizing sense of polish. Trousers have inverted pleats, while shirts are designed with details — a pleated pocket, for instance, or a two-tone tab collar — that give a casual elegance to sportswear.

In the main, their suits are oversized, a style that reflects not only the physical demands of large men but also their understanding of current fashion. Certainly the fabrics would spelt a man for finer suits than wool gabardines, English flannels, Italian silks and super-soft denim for a new line of pleated jeans. "No matter what you do, it all starts with fabric," says Everett Hall, who is 33. "If you start with polyester, you end up with polyester."

Along with two other brothers, the Halls were raised in Springfield, Ohio. Their father possessed a refined sense of style, saving for weeks to buy a great pair of shoes or a cashmere sweater. Encouraged by his father, who worked on an auto

assembly line, Everett began making clothes for himself and his brothers when he was in eighth grade.

He went on to Howard University, where in his senior year he reached the finals in the Curly Sark competition, an award given to the top menswear designers in the United States. It was an auspicious beginning.

**B**UT it was Mahorn and his fellow Pistons who seemed to determine Hall's future. "I can't say enough about the Pistons," he says. "Whenever they got a chance, they always told other people about our clothes."

After that, the made-to-measure business snowballed, and it wasn't long before James Brown of CBS Sports, 6-foot-5 and 245 pounds (195 centimeters and 111 kilograms), started requesting suits.

Then came a host of entertainers: Snooky Robinson, Johnny Gill, Carvin Williams. Hall spreads a black shirt with dolman sleeves on a table in his studio. The collar is edged in deep purple. "Stanley Turrentine is wearing this shirt on the cover of his new album," he says.

Perhaps his success is due to nothing more dazzling than old-fashioned legwork. "You can't do everything in 10 minutes," says Edwin Hall. Having tested the ready-to-wear market, and found it willing, the brothers are now making a big push to get their clothes into stores around the United States. This summer they presented their fall collection at the Men's Fashion Association show in New York, to enthusiastic reviews.

"Suddenly," says Everett Hall, laughing, "we were the new kids on the block."

Cathy Horyn

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# NYSE

Monday's Closing  
Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press

Main stock market data section containing multiple columns of company names, stock symbols, and their corresponding closing prices, volume, and changes.

Summary tables for NYSE High-Lows and AMEX High-Lows, listing high and low closing prices for various market indices.

Large graphic on the right side of the page containing the text 'THE TRIB INDE...' and 'NATIONAL SY...', along with a stylized globe and other graphical elements.

Handwritten Arabic text at the bottom center of the page, possibly a date or reference number.

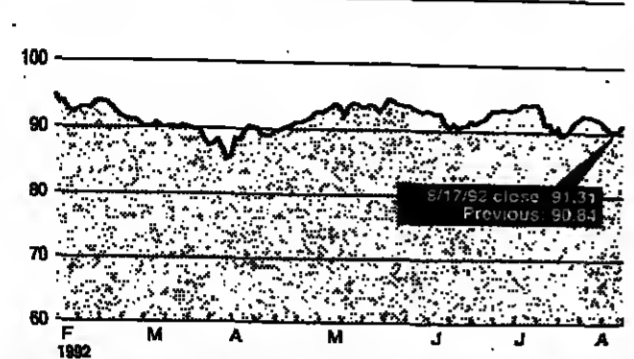


BUSINESS



THE TRIB INDEX: 91.31

International Herald Tribune World Stock Index composed of 230 internationally investable stocks from 20 countries, compiled by Bloomberg Business News, Jan. 1, 1992 = 100.



The index tracks U.S. dollar values of stocks in Tokyo, New York, London, and Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Hong Kong, Italy, Netherlands, New Zealand, Norway, Singapore, Spain, Sweden and Switzerland. In the case of Tokyo, New York and London, the index is composed of the 20 top issues in terms of market capitalization. In the remaining 17 countries, the ten top stocks are tracked.

Table with 3 columns: Asia/Pacific, Europe, N. America. Rows include Date, Prev, and Change.

Table with 4 columns: Industrial Sectors. Rows include Energy, Utilities, Finance, Services, Capital Goods, Raw Materials, Consumer Goods, Miscellaneous.

For readers desiring more information about the International Herald Tribune World Stock Index, a booklet is available free of charge by writing to: Trib Index, 181 Avenue Charles de Gaulle, 92221 Neuilly Cedex, France.

INTERNATIONAL STOCKS

China's Frantic Markets Take a Welcome Breather

By David Stamp

HONG KONG — The outlook for China's stock markets is flat and business is slow for the foreseeable future — and brokers are happy. After four days of stampedes, riots and mayhem surrounding share issues on the Shenzhen exchange, not to mention a 30 percent collapse in one morning in Shanghai, what China's two markets need above all is a breather, they say.

Normally when markets hit the doldrums, brokers start to squeal. But not this time in China, where trading in stocks is a risky play with capitalism after 40 years of rigid communism. "In the short term it will continue to be dull. After all this chaos the market really needs to go sideways a bit," said Andrew Au, a broker at Hoare Govett Asia.

Ten days ago, more than a million people turned up in Shenzhen looking for application forms for 1992 share issues.

In the next four days, a sizable number of the would-be investors from all over China ended up fighting either with each other or with police. Tens of thousands who came empty-handed, although five million forms were supposedly on sale, rampaged through Shenzhen in a protest over alleged official corruption during the issue.

Temper finally cooled when the Shenzhen authorities hastily printed new tickets convertible into another five million forms, but only after the exchange had been closed for half a day.

Despite the problems in Shenzhen, China will continue to develop its nascent stock markets, a senior Chinese official said Monday.

Trade, investment and output rose sharply in China in 1991. Page 13.

Li Langling, minister for foreign economic relations and trade, said in an interview while on a visit to Singapore, "The incident will not change our policy; we'll go on developing our stock markets."

Fears that the Communist leadership would clamp down on the markets sent Shanghai A shares — those reserved for Chinese — tumbling by one-third last Wednesday morning. While bargain hunters soon emerged, the Credit Lyonnais Shanghai A Index fell 23 percent in the first three days of last week.

Buyers then returned to Shanghai, pushing the A Index back up to 6,619 points on Monday, from last Wednesday's low of 5,429. Hong Kong brokers feel the worst is over. "Prices have stabilized and bids have appeared. That's a good sign for the markets," said Alice Lan of Standard Chartered Securities.

CURRENCY & INTEREST RATES

Table with multiple columns: Gross Rates, Eurocurrency Deposits, Key Money Rates, Forward Rates. Includes various currency pairs and interest rates.

For the Fed, Convention Is No Time to Act

By Robert D. Hershey Jr. New York Times Service

WASHINGTON — Most monetary specialists believe the Federal Reserve will shut further cuts in interest rates when its policy-making Open Market Committee meets Tuesday for the first time in seven weeks.

New action that could reduce the leading rate for overnight bank loans and eventually even the discount rate is considered highly unlikely during the Republican National Convention, despite a recovery that is among the weakest on record.

By a quirk of the calendar, the central bank appears to face the same obstacle posed at its meeting of June 30-July 1, which took place just after President George Bush specifically urged another round of rate cuts.

No matter how it weighs the economic evidence, which has been decidedly mixed of late, the Fed cannot afford to give the impression of bowing to pressure from the Bush administration in the election campaign, analysts say. Creating such an impression would be counterproductive, arousing fears about the Fed's commitment to fight inflation and thereby raising the long-term lending rates so crucial to recovery.

"They'll be concerned about reducing interest rates in the proximity of the convention," said Robert A. Brusca, chief economist for Nikko Securities Co. International and an advocate of more monetary stimulus.

Politics is already having a negative effect on long-term rates, news agencies reported. Treasury bond prices fell on Monday amid

fears that the Republican convention this week would call for a deficit-boosting program of lower taxes to spur Mr. Bush's campaign, traders and analysts said. The 7.25 percent Treasury bond due in 2022 was down 12/32 of a point at 98 23/32, pushing its yield up to 7.35 percent from 7.33 percent on Friday.

Nevertheless, analysts said, the deliberations of the 19-member Open Market Committee — 12 of them vote at any given time — could lead to a rate cut in the weeks ahead, most likely in early September if the August employment statistics show private payrolls grew by less than 50,000.

The jobs survey was taken last week, but the results will not be released until Sept. 4. Weak employment data prompted the Fed to

cut the discount rate by a half point to 3 percent on July 2, just after the last Open Market Committee meeting.

Other recent figures seem to point toward monetary easing, though not conclusively. Retail sales were up 0.5 percent in July, but a June gain of that amount was revised to show a loss. And an increase in industrial production was confined entirely to utilities and mining; manufacturing was flat.

"The economy's just muddling along — there's no catalyst," said Alan C. Lerner, money market analyst at BNA's Trust.

At the same time, inflation appears virtually nonexistent. Consumer and producer

See FED, Page 10

Union Offers to Accept Pay Cut at Lufthansa

By Sylvia Nasar New York Times Service

FRANKFURT — One of Germany's public-sector unions told Lufthansa that its members were prepared to forsake about 10 percent of their salaries for one year if the airline agreed not to spin off its domestic operations, the union said Monday.

The union, DAG, also suggested longer working hours for flight personnel and ground staff, changes in overtime payments and new pay structures. A spokesman for the white-collar union said the savings would total about 500 million Deutsche marks (\$341 million).

The offers were part of the union's preliminary wage talks with Lufthansa. DAG and OGV, the transport workers union, will begin formal talks with Lufthansa on Aug. 26.

Lufthansa in July said it would set up a subsidiary, Lufthansa-Express, to take responsibility for all its domestic flights. Analysts have said that separating Lufthansa-Express from the parent company would allow the airline to bring in lower pay scales locally.

The carrier said last week that high staff costs had helped widen its first-half loss to about 542 million DM from 331 million DM a year earlier. Lufthansa has announced plans to cut nearly 5,000 jobs over the next two years.

DAG called on Lufthansa executive board members as well as employees whose pay rises are not negotiated by unions to waive 10 percent of their salaries.

The union also demanded that the German government inject fresh capital into the carrier. Analysts say the government, which owns 52.5 percent of Lufthansa, may eventually inject 1 billion DM.

A Lufthansa spokesman confirmed the union's offer, but would not comment further.

Trade Pact: How Bad for Jobs?

By Sylvia Nasar New York Times Service

NEW YORK — The North American Free Trade Agreement is a source of anxiety for workers railed by recession and unemployment in the United States. But many economists say the negative effects of freer trade with Mexico on jobs, though painful, will almost certainly be smaller than many now fear.

If ratified, the pact would phase out most U.S. tariffs on imports from low-wage Mexico, while knocking down roadblocks to American investment there. "People are very, very concerned about losing jobs," said Victor M. Munoz, a union organizer in California and Texas. "It's the biggest topic."

A research team at the University of Michigan analyzed U.S. trade agreements since the 1960s and concluded that as few as 15,000 to 75,000 American workers — out of a work force of 120 million — could lose their jobs over 10 years as a result of the pact.

Robert M. Stern, an economist at the University of Michigan and one of three researchers who worked on the study, reckoned that

the number of workers displaced each year by the trade pact would be roughly one-tenth the number of those who will lose their jobs because of cuts in military spending.

What is more, the job cuts as a result of the trade pact are likely to be matched by job gains elsewhere

in the economy, the researchers said. Displaced workers would be forced to find jobs in new industries and states, risking long spells of unemployment.

The losers are likely to be dispersed across many states and industries. No state, for example, is likely to suffer more than one-sixth of the total job losses, the researchers said.

For states that do suffer net job losses — probably California and the upper Midwest — the numbers are expected to range from a few dozen jobs to a couple of thousand.

Permanent job losses from freer trade with Mexico are likely to be limited by the phasing in of tariff reductions over as many as 15

years, especially for products like fruits and vegetables that are politically important because of the opposition of American growers.

As for the automobile industry, the complexity of rules setting minimum levels for domestic parts in production, along with the dilapidated state of much of the Mexican auto industry, should slow Mexico's penetration of U.S. markets.

"Some industries will expand while others contract, and workers will have to shift from one industry to another," Mr. Stern said.

In New York, for instance, a couple of thousand jobs in electrical equipment manufacturing may well disappear over a decade as assembly jobs shift to Mexico. But more jobs could emerge in industries such as publishing, computers and apparel, ultimately providing a net gain to the state of an estimated 700 jobs.

Consider Texas, the biggest exporter to Mexico among the 50 states. It may gain jobs in agriculture, chemicals and plastics, but risks losing 100,000 others in industries such as glass, metal fabrication and transportation equipment.

Market Begins to Bud in Syria

By Nora Boustany Washington Post Service

DAMASCUS — The transformation of Syria's economy from one based on central planning to a market-oriented form of selective privatization aimed at attracting investment is finally taking hold, according to diplomats, officials and Syrian economists.

Since a new investment law was introduced in May 1991, 400 new companies have been formed and \$1.6 billion has been invested within the country, government figures indicate.

The law provided incentives for both Syrians and foreigners to invest in Syria by exempting investors from the nation's stiff import regulations and from income taxes for seven years.

The loosening of the economic system has been accompanied by an easing of restrictions on the press and on domestic life. These changes reflect a new direction set by President Hafiz Assad since he joined the U.S.-led coalition against Iraq in last year's Gulf War and subsequently agreed to enter peace negotiations with the Israelis.

Syria has managed to show improvement in several economic areas. Before the Gulf War, Syria's foreign exchange reserves had dropped to \$200 million. Now, due to the change in the investment laws and an influx of money from Saudi Arabia, the reserves total more than \$1 billion.

Syria is \$16 billion in debt to the World Bank. Western countries and the former Soviet Union. A year ago, Damascus was failing to keep up with its payments on its \$350 million debt to the bank; now, it is repaying \$8 million a month.

In 1989, revenue from the export of fruits and vegetables brought in \$16.8 million. With Syria's mar-

ket share in the region increased at the expense of Jordan and Iraq after the war, that figure shot up to \$87.1 million in 1991.

"I felt economic change was inevitable because there was no way out, no alternative but to liberalize," said Nabil Sukkar, a Western-trained economist who wrote a seven-volume economic study published in 1987 that laid the groundwork for a "perestroika of the Syrian economy."

"Our sales are 10 times what they were in 1990," said Basil N. Hadaya, general manager of Nazir Hadaya & Co., which imports Japanese cars, Singer sewing machines, household appliances and office equipment.

Six years ago, Syria had one government-owned toilet paper factory. People with connections managed to get their supplies smuggled in from Lebanon; the others just did without. Now there are six privately owned plants and more than a dozen tissue-paper plants. Twelve factories produce and assemble refrigerators; just a few years ago, there were three.

But as this young and upward mobile segment of society injects dynamism into Syria's state economy, Mr. Assad's authoritarian regime faces the dilemma of keeping pace with a changing world while maintaining stability by keeping the lid on political reforms.

But for a host of entrepreneurs, the old wealthy Syrian families and other professionals, the emphasis is on making money. Democracy and its demands are not a priority in the minds of most Syrians.

Security and stability are of paramount importance to Syria, even if they stifle the extent of democracy, as the West sees it. Security is mainly entrusted to an elaborate system of intelligence services, which together with the army is the country's largest employer.

ANC Cautious on Trade Bloc

WINDHOEK, Namibia — Just as 10 African nations put the finishing touches Monday on an economic bloc designed to embrace a hoped-for democratic South Africa, the leading voice of opposition to the current white-ruled government in Pretoria warned that the group's near-term contributions to the group would be small.

"Given that we shall have been left an appalling legacy of apartheid, our contribution in the economic life of the subregion is likely to be limited, at least initially," said Cyril Ramaphosa, secretary-general of the African National Congress. It had observer status at the signing of the Treaty of the Southern African Development Community.

The SADC urged Pretoria to speed the abolition of white rule, which it set as the condition for South Africa's membership. The bloc links 80 million people in an alliance that officials said could develop into a common market with its own parliament. The group will try to forge monetary, security and diplomatic links.

Bankruptcy Talk Sends Wang Shares Plunging

By Sylvia Nasar New York Times Service

LOWELL, Massachusetts — Wang Laboratories Inc. Class B stock, which fell almost 30 percent last Friday, plunged another 50 percent on Monday as the company again failed to release earnings and a former president said Wang would seek bankruptcy protection.

John F. Cunningham, the former president who left Wang several years ago, said his contacts within the company told him Wang would file for protection under Chapter 11 of the U.S. Bankruptcy Code on Tuesday morning. That would enable Wang to sell some of its businesses. He said the field engineering and software units would fetch from \$400 million to \$900 million.

Wang stock closed at 75 cents on the American Stock Exchange, down 75 cents from Friday, after hitting a 52-week low of 31.3 cents.

"It's been a race to get as many clients out of it as possible," said Grant Barclay, associate at Toronto-based Belair Capital Group Inc. On Friday, Wang missed a self-imposed deadline for reporting earnings for the year ended June 30. On Monday, a spokesperson said the company wouldn't release results during the day.

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ALCATEL ALSTHOM. Alcatel Alsthom reports 6% higher 1992 first half sales. By sector, 1992 and 1991 first half sales broke down as follows: (in millions of French Francs) 1992 1991. Communication systems 54,100/11 50,600. Energy and transportation 13,882 12,805. Electrical engineering 7,776 7,543. Batteries 1,664 1,656. Services 3,240 3,105. Inter-group sales (1,185) (1,939). TOTAL 79,477 74,770.

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MARKET DIARY

Sell Programs Kill Rally in Blue-Chips

NEW YORK — Late sell programs smothered a modest rally attempt in U.S. blue-chips on Monday, but some broader indexes withstood weakness in the bond market and closed firmer.

The Dow Jones industrial average slid 4.05 points to 3,324.89. But the market from the point of view of stimulating the economy, said Ronald Clarke, managing director of active equity portfolios at Aetna Financial Services.

Airline stocks were among the market leaders, rising after Barron's magazine reported that improvement in the economy will boost the industry's business prospects.

U.S. Healthcare declined 2 1/2% on rumors that a member of the company's management team has filed to sell a big block of stock.

The Nasdaq Composite index declined 0.71 point to 572.47. The stock market held up well, considering the weakness in the government bond market.

Government bond prices continued to fall on concern that the Republican party will propose a series of tax cuts that could cause a larger budget deficit.

The dollar edged lower Monday, with fear of central bank intervention keeping the negative effects of low U.S. interest rates from causing much damage to the currency.

In late trading, the dollar was quoted at 1.4645 Deutsche marks. The rise in the discount rate, to 8.75 percent, was meant to combat inflation.

John Key, international economist with MCM Currency Watch Inc., said, "The downward pressure continues on the dollar due to the absence of central bank intervention and the wide interest rate difference between the dollar and the German mark and other currencies."

Despite the absence of central banks in the markets, traders were cautious. They were recalling last week's intervention by about 15 central banks to boost the dollar when it was trading near 1.4625 DM.

Earlier in Europe, the dollar was unchanged from Friday, but it fell to 125.800 yen from 125.965. The dollar also dropped to 1.3165 Swiss francs from 1.3210 and to 4.9625 French francs from 4.9875.

The rise in the discount rate, to 8.75 percent, was meant to combat inflation. Both rates are charged on secured short-term loans to banks, with the discount forming a floor and the Lombard a ceiling for the German money markets.

In an interview printed on Sunday, Otmar Issing, who is the Bundesbank's chief economist, said the central bank would cut rates only when inflation and money supply growth fell within targeted ranges, a remote possibility in the near future.

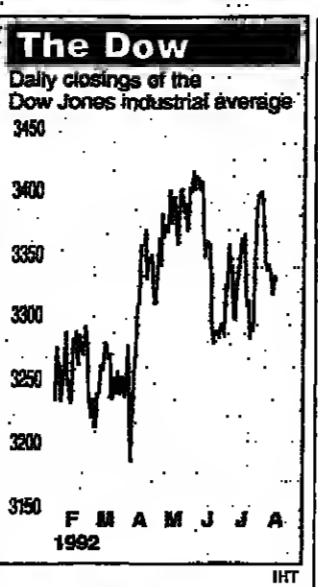


Table titled 'The Dow' showing daily closings of the Dow Jones industrial average from 1980 to 1992. Columns include Year, High, Low, Last, and Chg.

Table titled 'NYSE Most Active' showing volume, high, low, last, and change for various stocks like Citicorp, AmEx, and others.

Table titled 'NYSE Diary' showing advanced, declined, unchanged, and total issues for NYSE.

Table titled 'Amex Diary' showing advanced, declined, unchanged, and total issues for Amex.

Table titled 'NASDAQ Diary' showing advanced, declined, unchanged, and total issues for NASDAQ.

Table titled 'Dow Jones Averages' showing Open, High, Low, Last, and Change for various indices.

Table titled 'Standard & Poor's Indexes' showing High, Low, Last, and Change for various industry sectors.

Table titled 'NYSE Indexes' showing High, Low, Last, and Change for various market categories.

Table titled 'NASDAQ Indexes' showing High, Low, Last, and Change for various market categories.

Table titled 'AMEX Stock Index' showing High, Low, Last, and Change for Amex.

Table titled 'Dow Jones Bond Averages' showing Class and Change for various bond categories.

Table titled 'Market Sales' showing NYSE 4 a.m. volume, NYSE prev. close, and other market data.

Table titled 'NYSE Odd-Lot Trading' showing Buy, Sell, and Short for various stocks.

Table titled 'S&P 100 Index Options' showing Bid, Offer, and Last for various options.

Table titled 'EUROPEAN FUTURES' showing Close, High, Low, Prev. Close, and Change for various futures.

Table titled 'Food' showing SUGAR (FPO) and COCOA (FPO) prices.

Table titled 'Metals' showing ALUMINUM (OPEC) and WHITE SUGAR (FPO) prices.

Table titled 'Stock Indexes' showing FTSE 100 (LIFPE) and DAX (LIFPE) prices.

Table titled 'Spot Commodities' showing Commodity, Yesterday, and Prev. prices.

Table titled 'Dividends' showing Company, Dividend, and Yield for various firms.

Table titled '3-MONTH STERLING (LIFPE)' showing Bid, Offer, and Last for Sterling.

Table titled '3-MONTH EURO DOLLARS (LIFPE)' showing Bid, Offer, and Last for Euro Dollars.

Table titled '3-MONTH EURO MARKS (LIFPE)' showing Bid, Offer, and Last for Euro Marks.

Table titled '3-MONTH EURO POUNDS (LIFPE)' showing Bid, Offer, and Last for Euro Pounds.

Table titled '3-MONTH EURO SWISS (LIFPE)' showing Bid, Offer, and Last for Euro Swiss.

Table titled '3-MONTH EURO YEN (LIFPE)' showing Bid, Offer, and Last for Euro Yen.

Table titled '3-MONTH EURO JAPANESE (LIFPE)' showing Bid, Offer, and Last for Euro Japanese.

Table titled '3-MONTH EURO AUSTRALIAN (LIFPE)' showing Bid, Offer, and Last for Euro Australian.

Table titled '3-MONTH EURO NEW ZEALAND (LIFPE)' showing Bid, Offer, and Last for Euro New Zealand.

Table titled '3-MONTH EURO SOUTH AFRICAN (LIFPE)' showing Bid, Offer, and Last for Euro South African.

Table titled '3-MONTH EURO INDIAN (LIFPE)' showing Bid, Offer, and Last for Euro Indian.

Table titled '3-MONTH EURO CHINESE (LIFPE)' showing Bid, Offer, and Last for Euro Chinese.

Pfizer to Spin Off Minerals Business. NEW YORK (Combined Dispatches) — Pfizer Inc. said Monday that it planned to spin off a majority interest in its specialty minerals unit and to buy back up to 10 million common shares.

Citicorp Slides on Profit Statement. NEW YORK (Reuters) — Citicorp shares fell 37.5 cents to \$18.50 on Monday following the banking company's restatement of earnings and disclosure of regulatory supervision. But analysts were mixed about the significance of the news.

Earnings at Toys 'R' Us Soar 40%. PARAMUS, New Jersey (Bloomberg) — Toys 'R' Us Inc., the world's largest toy store chain, posted a 40 percent increase in second-quarter earnings due to less domestic competition and sales gains in its international stores, it said Monday.

Strong Sales Boost Kmart's Profit. TROY, Michigan (AP) — Kmart Corp. said Monday that its profit rose 2.9 percent in the second quarter on record sales but added that cold weather in May and June hurt some of its seasonal business.

Weak Economy Saps Tiffany Result. NEW YORK (UPI) — Tiffany & Co., the jewelry retailer, reported Monday that second-quarter earnings dropped 46.3 percent from year-earlier levels in face of the worldwide economic slowdown.

Kohlberg Reneges on Bank Rescue. GREENWICH, Connecticut (Bloomberg) — AmBac Corp., a banking company, said Kohlberg & Co. backed out of an agreement to lead a \$200 million rescue of AmBac's troubled Carteret Savings Bank.

For the Record. Gies Securities Co., a bond trading firm, filed a lawsuit against Salomon Brothers Inc., claiming Salomon's violations of Treasury auction rules left Gies with losses of at least \$1 million.

Volkswagen de Mexico received permission from Mexico's Federal Arbitration and Conciliation Commission to fire 15,000 striking workers at its Puebla plant, Mexico's official news agency Notimex said.

Plas-Mor Inc. said it and its units filed for Chapter 11 bankruptcy protection, citing the disclosure of "a fraud and embezzlement scheme perpetrated by former executives."

Liton Industries Inc. said it had formed an alliance with Raytheon Co. and Tracor Inc. to offer a family of airborne electronic warfare systems tailored to each customer's requirements.

FED: Rates Seen Steady for Now

Jeremy A. Gluck, monetary specialist for Mitsubishi Bank in New York, said policy makers could consider this either as a significant stimulus that might make further actions unnecessary, or as a vote of confidence in the Fed's anti-inflation commitment that could make further action possible.

Recent central bank support for the dollar seems to argue against further rate cuts. Long-term rates have declined since the Open Market Committee's midyear meeting to 7.37 percent from 7.75 percent.

U.S. FUTURES

Table titled 'Grains' showing WHEAT (CBT) and SOYBEANS (CBT) prices.

Table titled 'Metals' showing SOYBEAN MEAL (CBT) and SOYBEAN OIL (CBT) prices.

Table titled 'Livestock' showing CATTLE (COMEX) and HOGS (COMEX) prices.

Table titled 'Financial' showing U.S. TREASURY BONDS (CBT) and U.S. TREASURY (CBT) prices.

Table titled 'Food' showing COFFEE (NYMEX) and SUGARWORLD (NYMEX) prices.

Table titled 'Stock Indexes' showing SP COMP. INDEX (CME) and NYSE COMP. INDEX (NYFE) prices.

Table titled 'Commodity Indexes' showing Moody's, Reuters, and D.J. Futures Com. Research prices.

WORLD STOCK MARKETS

Table titled 'Amsterdam' showing various stock prices and changes.

Table titled 'London' showing various stock prices and changes.

Table titled 'Paris' showing various stock prices and changes.

Table titled 'Tokyo' showing various stock prices and changes.

Table titled 'Sydney' showing various stock prices and changes.

Table titled 'Sao Paulo' showing various stock prices and changes.

Table titled 'Singapore' showing various stock prices and changes.

Table titled 'Zurich' showing various stock prices and changes.

U.S. / AT THE CLOSE

Table titled 'U.S. STOCKS' showing various stock prices and changes.

Table titled 'U.S. BONDS' showing various bond prices and changes.

Table titled 'U.S. FUTURES' showing various futures prices and changes.

Table titled 'U.S. COMMODITIES' showing various commodity prices and changes.

Table titled 'U.S. STOCK INDEXES' showing various stock index prices and changes.

Table titled 'U.S. COMMODITY INDEXES' showing various commodity index prices and changes.

Table titled 'U.S. CURRENCY' showing various currency exchange rates.

Table titled 'U.S. INTEREST RATES' showing various interest rates.

Table titled 'U.S. ENERGY' showing various energy prices.

Table titled 'U.S. METALS' showing various metal prices.

Table titled 'U.S. AGRICULTURE' showing various agricultural prices.

Table titled 'U.S. OIL' showing various oil prices.

Table titled 'U.S. GOLD' showing various gold prices.

Table titled 'U.S. SILVER' showing various silver prices.

Table titled 'U.S. PLATINUM' showing various platinum prices.

Table titled 'U.S. PALLADIUM' showing various palladium prices.

Table titled 'U.S. RUTHENIUM' showing various ruthenium prices.

Table titled 'U.S. RHODIUM' showing various rhodium prices.

Finance Mail Inflation

NYSE

Handwritten note: 1.4645

France Maintains Its Inflation Edge

Compiled by Our Staff From Dispatches PARIS — French consumer prices once again rose at a very slow pace in July, maintaining France's inflation advantage over its main trading partners, the government said Monday.

France has one of the lowest inflation rates in the European Community, Germany, which is keeping interest rates high to stamp out price pressures, posted an annual rate of 3.3 percent for July. The average inflation rate among France's nine principal trading partners was 3.7 percent.

Other factors contributing to the rise in prices were a rise in the cover prices of the national newspapers Liberation and Le Monde and a seasonal increase in the list price of new cars. Economists say the annual inflation rate will probably stay around 3 percent for the rest of the year.

Conran Explores His Retail Roots

LONDON — Sir Terence Conran, who launched a new style of home decoration in founding the Habitat retail chain in the 1960s, is seeking a comeback in discussions with two investment groups that want to buy the business from Storehouse PLC, he said Monday.

Argos Sees Hope of Sales Recovery

LONDON — The British retailer Argos PLC said Monday that sales since mid-June were running just ahead of year-earlier levels and that this trend could suggest the recession has bottomed.

Repsol Finds Chemicals Erode Profit

MADRID — Repsol SA reported on Monday disappointing earnings for the first half of the year, but the government-controlled oil company said it was trying to sell parts of its chemicals division, which was unprofitable in the period.

Investor's Europe

Table with columns for Exchange, Index, Monday Close, Prev. Close, % Change. Includes data for Frankfurt DAX, London FTSE 100 Index, Paris CAC 40, Amsterdam CBS Trend, Brussels Stock Index, Frankfurt DAX, Frankfurt FAZ, Helsinki HEX, London Financial Times 30, London FTSE 100, Madrid General Index, Milan MIB, Paris CAC 40, Stockholm Aftersveariden, Vienna Stock Index, Zurich SSS.

Very briefly:

- Deutsche Aerospace AG, a unit of Daimler-Benz AG, confirmed reports that talks are under way that may lead to the resignation of the management board vice president, Johann Scheffler, who reportedly has been locked in a power struggle with the chairman, Jürgen Schrepp.

NYSE Monday's Closing

Table listing NYSE market activity including major indices and individual stock prices.

Table listing international stock market activity including various European indices and stock prices.

ECONOMY: Some Americans Seek a European Cure

(Continued from page 1) mobility," he said. "Instead of pointing toward advanced industrial structures, people escape into small businesses and a kind of electronic cottage industry. So, although some of the factors that made for Euroclerosis add up here in a different way, the bottom line is the same."

Nokia Signs Hungary Deal

Agence France-Press HELSINKI — Nokia Telecommunications and Nokia Cables have signed an agreement with Kontrax Telekom Rt. of Hungary for the delivery of optical and copper cable and a management system for a telecommunications network in Budapest, Nokia said Monday.

Advertisement for North American Income Fund p.l.c., DBCC/NAFIN Bond Fund Shares, and Deutsche Bank Capital. Includes contact information for Nacional Financiera in Mexico DF.

Advertisement for 'Inventing the French Riviera' book by Mary Blume. Features a photo of a coastal scene and text describing the book's content.

Advertisement for Skandifond Equity Fund Management Company. Includes 'NOTICE TO UNIT HOLDERS', contact information, and details about the fund's structure and fees.

# AMEX

Monday's Closing  
Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trading elsewhere. Via The Associated Press

12 Month	High	Low	Stock	Div	Yield	% Chg	High	Low	12 Month	High	Low	12 Month
7%	114	112	AT&T	3.75	3.3%	+	114	112	10%	114	112	10%
7%	114	112	ALC	0.00	0.0%	+	114	112	10%	114	112	10%
7%	114	112	AMC	0.00	0.0%	+	114	112	10%	114	112	10%
7%	114	112	AMR	0.00	0.0%	+	114	112	10%	114	112	10%
7%	114	112	AMT	0.00	0.0%	+	114	112	10%	114	112	10%
7%	114	112	AMT	0.00	0.0%	+	114	112	10%	114	112	10%
7%	114	112	AMT	0.00	0.0%	+	114	112	10%	114	112	10%
7%	114	112	AMT	0.00	0.0%	+	114	112	10%	114	112	10%
7%	114	112	AMT	0.00	0.0%	+	114	112	10%	114	112	10%
7%	114	112	AMT	0.00	0.0%	+	114	112	10%	114	112	10%

12 Month	High	Low	Stock	Div	Yield	% Chg	High	Low	12 Month	High	Low	12 Month
7%	114	112	AMT	0.00	0.0%	+	114	112	10%	114	112	10%
7%	114	112	AMT	0.00	0.0%	+	114	112	10%	114	112	10%
7%	114	112	AMT	0.00	0.0%	+	114	112	10%	114	112	10%
7%	114	112	AMT	0.00	0.0%	+	114	112	10%	114	112	10%
7%	114	112	AMT	0.00	0.0%	+	114	112	10%	114	112	10%
7%	114	112	AMT	0.00	0.0%	+	114	112	10%	114	112	10%
7%	114	112	AMT	0.00	0.0%	+	114	112	10%	114	112	10%
7%	114	112	AMT	0.00	0.0%	+	114	112	10%	114	112	10%
7%	114	112	AMT	0.00	0.0%	+	114	112	10%	114	112	10%
7%	114	112	AMT	0.00	0.0%	+	114	112	10%	114	112	10%

12 Month	High	Low	Stock	Div	Yield	% Chg	High	Low	12 Month	High	Low	12 Month
7%	114	112	AMT	0.00	0.0%	+	114	112	10%	114	112	10%
7%	114	112	AMT	0.00	0.0%	+	114	112	10%	114	112	10%
7%	114	112	AMT	0.00	0.0%	+	114	112	10%	114	112	10%
7%	114	112	AMT	0.00	0.0%	+	114	112	10%	114	112	10%
7%	114	112	AMT	0.00	0.0%	+	114	112	10%	114	112	10%
7%	114	112	AMT	0.00	0.0%	+	114	112	10%	114	112	10%
7%	114	112	AMT	0.00	0.0%	+	114	112	10%	114	112	10%
7%	114	112	AMT	0.00	0.0%	+	114	112	10%	114	112	10%
7%	114	112	AMT	0.00	0.0%	+	114	112	10%	114	112	10%
7%	114	112	AMT	0.00	0.0%	+	114	112	10%	114	112	10%

# NASDAQ

Monday's Prices  
NASDAQ prices as of 4 p.m. New York time. This list compiled by the AP, consists of the 1,000 most traded securities in terms of dollar value. It is updated twice a year.

12 Month	High	Low	Stock	Div	Yield	% Chg	High	Low	12 Month	High	Low	12 Month
7%	114	112	AMT	0.00	0.0%	+	114	112	10%	114	112	10%
7%	114	112	AMT	0.00	0.0%	+	114	112	10%	114	112	10%
7%	114	112	AMT	0.00	0.0%	+	114	112	10%	114	112	10%
7%	114	112	AMT	0.00	0.0%	+	114	112	10%	114	112	10%
7%	114	112	AMT	0.00	0.0%	+	114	112	10%	114	112	10%
7%	114	112	AMT	0.00	0.0%	+	114	112	10%	114	112	10%
7%	114	112	AMT	0.00	0.0%	+	114	112	10%	114	112	10%
7%	114	112	AMT	0.00	0.0%	+	114	112	10%	114	112	10%
7%	114	112	AMT	0.00	0.0%	+	114	112	10%	114	112	10%
7%	114	112	AMT	0.00	0.0%	+	114	112	10%	114	112	10%

12 Month	High	Low	Stock	Div	Yield	% Chg	High	Low	12 Month	High	Low	12 Month
7%	114	112	AMT	0.00	0.0%	+	114	112	10%	114	112	10%
7%	114	112	AMT	0.00	0.0%	+	114	112	10%	114	112	10%
7%	114	112	AMT	0.00	0.0%	+	114	112	10%	114	112	10%
7%	114	112	AMT	0.00	0.0%	+	114	112	10%	114	112	10%
7%	114	112	AMT	0.00	0.0%	+	114	112	10%	114	112	10%
7%	114	112	AMT	0.00	0.0%	+	114	112	10%	114	112	10%
7%	114	112	AMT	0.00	0.0%	+	114	112	10%	114	112	10%
7%	114	112	AMT	0.00	0.0%	+	114	112	10%	114	112	10%
7%	114	112	AMT	0.00	0.0%	+	114	112	10%	114	112	10%
7%	114	112	AMT	0.00	0.0%	+	114	112	10%	114	112	10%

Reforms...

United Group...

Market in Ho...

...[Detailed text and graphics related to market reforms and group activities]

Handwritten note: 150

Reforms Fire China Economy

BEIJING — China's economy is moving at full speed, with figures published on Monday showing that trade volume, investment and industrial output were sharply up. But economists were divided about the likelihood that such growth might be inflationary. The value of industrial output jumped by 21.8 percent in July compared with the corresponding month last year, pushing the increase for the first seven months to 19 percent, according to State Statistics Bureau figures. State investment in fixed assets surged by 42.2 percent, totaling 35.5 billion yuan (\$6.55 billion).

Imports in the first seven months totaled \$39.32 billion, up 22.6 percent, and exports hit \$42.75 billion, up 16.4 percent, leaving a surplus of \$3.43 billion. The national economy is running at a high speed but market reforms have eased, according to a statement issued by the bureau. "The overall situation is good." Chinese economists often point to the increased role of market forces to justify optimism that the present high rates of growth will not lead to the kind of inflation that slammed the brakes on a previous spurt of growth in the late 1980s.

Allied Group's Shares Plummet in Hong Kong

HONG KONG — Shares in the Allied Group and its related companies dived Monday, wiping hundreds of millions of Hong Kong dollars off their market value, after the government appointed an inspector to investigate shuffling of assets and share dealings by the conglomerate. Brokers said the Allied share price collapse was one of the causes of the sharp retreat in the Hong Kong stock market. The Hang Seng index of leading issues lost 154.74 points, or 2.7 percent, to close at 5,677.85. Trading in the shares of Allied and nine other companies caught up in the investigation resumed Monday after being suspended last Wednesday, when the government announced its decision. Investors wiped almost one-third off the market capitalization of the flagship company, Allied Group, which had stood at around 2 billion Hong Kong dollars (\$256 million), before Monday. Its shares fell 27 cents to 59 cents on heavy volume of 71.7 million shares. Shares of the real estate subsidiary Allied Properties (H.K.) Ltd. dropped 40 cents to 1.07 dollars. Shares in other affiliates also plunged, including Asia Securities International Ltd., Allied Industries International Ltd., Tung Wing Steel Holdings, Suncat Manufacturing Ltd., Crosssea Holdings Ltd., Paramount Printing Group Ltd. and Wai Yick Fungon Holdings Ltd. was not traded.

Singapore Privatization Is Hailed

SINGAPORE — Stockbrokers on Monday welcomed the government's decision to privatize many of its public monopolies, saying the move would add depth and breadth to the Singapore stock market. Prime Minister Goh Chok Tong said Sunday that the government would convert its port, mass transit, telecommunications and utilities companies into privately owned corporations. Beginning in 1993, discounts will be offered to entice the public to buy the new shares. Mr. Goh said he wanted private investors to own about 30 percent of the shares on the stock exchange, compared with the present 14 percent.

Seoul Aim: Penetrate NAFTA

SEOUL — The South Korean government said Monday it would offer tax, financial and investment incentives to local companies that invest in North America to head off trade barriers there. The decision follows the North American Free Trade Agreement reached last week among the United States, Canada and Mexico, which South Korean officials said businessmen fear will raise barriers against outsiders. The government will give tax and financial support to companies that invest in Mexico intending to use it as a foothold for exports to the United States and Canada, officials said. The government also plans to quickly conclude agreements with Mexico on investment guarantees and double taxation avoidance to promote investments there. The pacts were drafted in 1991 but have not yet been signed. South Korea wants to hold a trade ministers meeting with Mexico to boost Korean investment and prepare for the advent of the trade pact, a senior official said.

S&P Lowers Ratings On Nikko, Yamaichi

TOKYO — The Standard & Poor's credit-rating agency lowered its ratings Monday on Nikko Securities Co.'s senior debt and on Yamaichi Securities Co.'s senior and short-term debt, undermining the problems plaguing brokers struggling with dangerously low stock turnover. S&P lowered its ratings on senior debt obligations issued or guaranteed by Nikko to A-plus from AA-minus. S&P also lowered its rating on senior debt obligations issued or guaranteed by Yamaichi to A from A-plus. The lower ratings reflect the weakening of their financial profiles due to the prolonged downturn of the Japanese securities market, S&P said. S&P affirmed A-1-plus ratings on the debt of Daiwa Securities Co. and two affiliates. It also affirmed its AA-plus rating for Nomura Securities Co.'s long-term debt and the A-1-plus rating on Nomura's short-term debt. Nomura has weathered the stock market slump better than other Japanese brokers and has a "substantially larger equity cushion," S&P said. The Big Four Japanese brokerages — Nikko, Yamaichi, Daiwa and Nomura Securities — depend on stock commissions for nearly half of their revenues. Volume on the Tokyo Stock Exchange has fallen to less than a fifth of 1988 levels, robbing the brokerages of revenue needed to pay for costly expansions in the go-go years of the late 1980s. "The ability of the Japanese brokers to reduce their operating expenses in line with the downturn in earnings is limited by current business practices in Japan," S&P said. "Although all of the rated firms have reduced their cost bases to some extent, the next round of cost reductions will be more difficult to implement." Since May, the Big Four have announced cost cutting measures that include cuts in hiring and staff reductions, scaled-back investments in computer facilities and closures of branches. Virtually every major brokerage in Japan will experience a current loss this year, analysts said. Nomura was the only one of the Big Four to earn a current profit in the year ended March 31. Concerns about Japan's sluggish economy and lower corporate profits are keeping pressure on stock prices, which have been declining since January 1990. Economists expect Japan's gross domestic product to grow by only 2 percent this year, and analysts say corporate earnings for the six months ending Sept. 30 will be below companies' own estimates of a decline of 10 percent to 15 percent. The key to any recovery in brokerage company earnings is a pickup in stock trading volume. Trading volume has averaged around 250 million shares a day since April 1, the beginning of the current fiscal year. That is down from an average of 300 million shares a day in the year ended March 31.

Table titled 'Investor's Asia' showing market performance for Hong Kong, Singapore, and Tokyo. Includes columns for Exchange, Index, Monday Close, Prev. Close, and % Change.

Very briefly:

- The Philippines sought a higher budget-deficit ceiling in talks in Manila with an International Monetary Fund mission reviewing its compliance with monetary targets, official sources said.
• Samsung Electronics Dev. Co. said it would take over the East German company WF for about \$20 million and invest \$120 million to double WF's output of color picture tubes to 2.5 million a year by 1997.
• Taiwan's communications minister, Engene Chien, denied any wrongdoing by ministry officials over a multimillion dollar government contract for a bridge, which was initially awarded to a state-run engineering agency without inviting public bids.
• Playmats International Holdings Ltd., maker of Teenage Mutant Ninja Turtles, said first-half net profit fell 56 percent to 175.6 million Hong Kong dollars (\$22.7 million), on a 52 percent drop in sales to 646 million.
• MBH Holdings Bhd., a Malaysian conglomerate, is to open a bank and an insurance firm in Cambodia this year, Chief Executive Loy Hean Heng said. Among the bank's services, credit cards will be aimed at troops serving under the UN Transitional Authority in Cambodia.
• Ford Motor Co. will start to produce three types of right-hand drive cars in the United States and Europe aimed at the Japanese market by 1995, Nissan Keizai Shinbun reported.
• Hyundai Merchant Marine Co. and Sea-Land Inc. of Iselin, N.J., will start a regular container service to Europe this week.
• Japan Storage Battery Co. has bought \$6 million of preferred shares in Exide Electronics Group Inc. and plans to buy another \$4 million and take a 10 percent stake in the Raleigh, North Carolina-based maker of surge protectors for computers.
AFP, AFP, Reuters, Bloomberg

Japanese Banks Chart Course for Chinese Coast

TOKYO — Japanese banks are poised to expand their operations to coastal cities in China, industry sources said Monday. The sources were commenting on an article that appeared in the economic newspaper Nihon Keizai Shinbun, which reported that China would allow foreign banks to open branches in the cities of Dalian, Fuzhou, Guangzhou, Ningbo, Qingdao and Tianjin. It said the foreign bank branches would be able to take foreign currency deposits and make loans, execute foreign-exchange operations and carry out export and import settlements. The industry sources said some Japanese banks already had representative offices in cities such as Guangzhou and Dalian and had asked China to allow them to upgrade these to branch status. Currently, foreign bank branches are limited to Shanghai, Shenzhen and other special economic zones. Nihon Keizai said Bank of Tokyo Ltd. and Industrial Bank of Japan Ltd. were expected to open branches in Dalian. Sumitomo Bank Ltd. is likely to have a branch in Guangzhou, and Yamaguchi Bank Ltd., a regional bank based in western Japan, will open one in Qingdao, it said. Spokesmen at the three Japanese banks refused to comment on the report. Bank of Tokyo and Industrial Bank of Japan spokesmen said the two banks had representative offices in Dalian, Guangzhou and Beijing. They were given permission last year to upgrade their Shanghai offices to branches. A Sanwa Bank Ltd. executive said his bank had branches in Shanghai and Shenzhen and representative offices in Dalian, Guangzhou, Beijing and Tianjin. Nihon Keizai also reported that Standard Chartered PLC and Banque Paribas of Paris would open branches in Tianjin and Societe Generale of France, Bank of East Asia Ltd. of Hong Kong and BankAmerica Corp. would open branches in Guangzhou.

Large table titled 'INTERNATIONAL FUNDS' containing financial data for various funds, including names, assets, and performance metrics.



SPORTS GOLF

Royals Send Orioles Price Is Right as He Wins '92 PGA Championship

Packing With Rout

By Mark Maske
Washington Post Service
KANSAS CITY, Missouri —
For the Baltimore Orioles, it was a game so ugly that Tim Lincecum...

They fell to three games behind the Blue Jays, who split a doubleheader in Cleveland, in the American League East.

AMERICAN LEAGUE

Cleveland 4, Toronto 3: The Indians established a season-high for runs in a game, and their eight-run fourth was their largest...

White Sox 4, Yankees 2: George Bell broke a tie with a three-run homer in the sixth in Chicago while...

White Sox 4, Yankees 2: George Bell broke a tie with a three-run homer in the sixth in Chicago while...

Braves 1, Red Sox 0: Pat Litchko's ground out scored the only run in Milwaukee as Jaime Navarro...

One of those days, one of those days, "What can you say? They got lucky — 17 times!"



Nick Price and his caddy, Jeff Medlen, were two happy fellows at the 18th. Gene Savers could only shrug off the disappointment.

By Leonard Shapiro
Washington Post Service
ST. LOUIS, Missouri — A year ago, Nick Price withdrew at the final hour from the PGA Championship because his wife, Sue, was about to give birth to their first child...

Fielder Homers For 100th RBI

By Associated Press
ARLINGTON, Texas — Cecil Fielder became the first major league to drive in 100 runs this season when he hit a bases-empty home run off Texas Nolan Ryan...



The Braves knuckled under to the Pirates' slow Tim Wakefield.

Pirates' Knuckleballer Ends Braves' Winning Streak, 4-2

The Atlanta Braves' rotation was once composed of Phil Niekro, probably the best knuckleballer in history, and little else. Now the Braves know how hard it is to hit baseball's nastiest pitch.

Wakefield, who combines a fall-in-out-of-the-table knuckleball with a baiting practice-like fastball, has worked at least eight innings in each of his four major league starts.

To the wall to catch Dave Justice's fly in the fourth and center fielder Andy Van Slyke ran down Justice's drive to the warning track in the sixth.

SCOREBOARD

Baseball Standings table with columns for American League East, West, and National League East, West.

Sunday's Line Scores table showing game results for various teams.

77. Rodriguez (7) and Santiago Walters (1); Becker, Rossini (1), Chortom (7), Foster (8) and Oliver W. Belcher, 1911 L—W—W—L—177.

199 WORLD CUP QUALIFYING GAMES
Eranza Zone 3, Uruguay 6
North America & Caribbean Zone
Uruguay 1, Costa Rica 0

ENGLISH PREMIER DIVISION
Norwich City 1, Liverpool 2
Manchester City 1, Tottenham 1

INTERNATIONAL FRIENDLY
Ruska 2, Mexico 0
VIRGINIA SLIMS OF LOS ANGELES
Pistol
Martina Navratilova (2), U.S. def. Monica Seles (1), Yugoslavia, 4-4, 6-6.

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